



San Diego City Attorney **MICHAEL J. AGUIRRE**

NEWS RELEASE

FOR IMMEDIATE RELEASE: August 24, 2005

Contact: Maria Velasquez, Communications Director: (619) 235-5725 (pager & voicemail) mvelasquez@saniego.gov

AGUIRRE AGAIN URGES THAT ACCOUNTING FIRMS COLLABORATE ON 2003 AUDIT

Federal Criminal Probe of KPMG Causes Concern

San Diego, CA: Again warning the City not to rely solely on KPMG to complete its 2003 financial audit, City Attorney Michael Aguirre pointed to an August 21st *Los Angeles Times* report on a federal criminal probe of the audit firm giant for marketing questionable tax shelters. Hoping to avoid a disruption of the City's 2003 audit, Aguirre is urging the retention of Macias Gini & Co. to work with KPMG on the completion of the audit. The City Attorney had first made this recommendation in a 15-point plan to resolve the City's legal, accounting, and financial crisis that he released on August 16th. Macias Gini is the City's long-term auditor and has been hired to work on its 2004 and 2005 financial statements.

"I'm sure none of us have forgotten the collapse of the Arthur Anderson accounting firm that followed their conviction for obstruction of justice in the Enron scandal," said City Attorney Aguirre. "San Diego cannot afford a further delay in the completion of the 2003 audit. It is only prudent therefore that we allow Macias Gini to collaborate with KPMG."

When the City Council returns from legislative recess on September 6, the City Attorney will formally recommend that they expand the Macias Gini scope of work to include completion of the 2003 financial audit.

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